

Message Text

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15

ACTION EA-10

INFO OCT-01 ISO-00 INT-05 IO-10 L-02 EB-06 OMB-01 TRSE-00

AID-05 CIAE-00 INR-07 NSAE-00 RSC-01 DODE-00 /048 W

----- 112181

R 050228Z NOV 74

FM AMEMBASSY TOKYO

TO HICOMTERPACIS SAIPAN

INFO SECSTATE WASHDC 5736

USARBCO MACHINATO/TTPI-LNO

UNCLAS TOKYO 14308

FOR HICOM AND STATUS LNO

STATE PASS INTEROR FOR OSN AND DOTA

E.O. 11652:N/A

TAGS: EAID, JA, TQ

SUBJECT: MICRONESIA CLAIMS AGREEMENT

REF: STATE 194559

SUMMARY. SECOND BATCH OF CONFIRMED PROCUREMENT CONTRACTS WILL BE RETURNED TO PROCUREMENT OFFICER DURING HIS NEXT VISIT TO TOKYO. FONOFF AGREEABLE TO EXTENSION OF PROCUREMENT PERIOD BEYOND MAY 1975 TERMINATION DATE. FONOFF FEELS BEST USE FOR SPECIAL ACCOUNT INTEREST WOULD BE PURCHASE OF ADDITIONAL QUANTITIES OF ITEMS ON AGREED LIST OF PRODUCTS AND SERVICES. FONOFF WOULD PREFER AVOIDING ADDITIONAL CHANGES TO AGREED LIST. END SUMMARY.

1. FOLLOWING RECEIPT OF REFTEL, LETTERS ALTERING LIST OF PRODUCTS AND SERVICES WERE EXCHANGED BY EMBASSY AND FONOFF AND COPIES POUCHED TO ADDRESSEES. FIRST PROCUREMENT CONTRACT WAS THEN SUBMITTED BY EMBASSY TO FONOFF AND CONFIRMED BY FONOFF SEPT 20. SECOND BATCH OF THREE CONTRACTS SUBMITTED BY U.S. PROCUREMENT OFFICER (QUIGLEY) TO FONOFF DURING HIS MOST RECENT TOKYO VISIT ARE TO BE CONFIRMED NOV 1 AND WILL BE RETURNED TO PROCUREMENT OFFICER DURING HIS NEXT VISIT TO
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TOKYO, NOW EXPECTED NOV 7.

2. ON OCT 31 EMBOFF MET WITH FONOFF REPS (SASAKI AND TANAKA OF SECOND ECONOMIC COOPERATION DIV) TO REVIEW PROGRESS OF IMPLEMENTATION OF AGREEMENT AND PENDING QUESTIONS.

3. RE EXTENSION OF PROCUREMENT PERIOD BEYOND MAY 1975 EXPIRATION DATE TO OCT 1976 AS SUGGESTED BY TTPI, SASAKI SAID CONTINUATION TO PROCUREMENT AT PRESENT PACE OBVIOUSLY MEANS THAT PERIOD WILL HAVE TO BE EXTENDED, AND FONOFF IS PREPARED TO TAKE STEPS NECESSARY TO DO THIS. AS THREE YEAR PROCUREMENT PERIOD IS STIPULATED IN AGREEMENT ITSELF, SASAKI'S TENTATIVE VIEW IS THAT FORMAL EXCHANGE OF NOTES WOULD BE NECESSARY TO EFFECT PROPOSED CHANGE. AT SOME CONVENIENT TIME SEVERAL MONTHS PRIOR TO END OF ORIGINAL PROCUREMENT PERIOD GOJ AND USG CAN ADDRESS THIS MATTER, HE SAID.

4. RE USE OF INTEREST ON SPECIAL ACCOUNT, SASAKI SAID FONOFF REPAIRED TO BE FLEXIBLE, BUT POINTED OUT CONDITION STIPULATED IN MARCH 13, 1973 EXCHANGE OF NOTES THAT INTEREST BE USED FOR PURCHASE IN JAPAN OF PRODUCTS OF JAPAN AND SERVICES OF JAPANESE PEOPLE NECESSARY FOR WELFARE OF MICRONESIANS. SIMPLEST PROCEDURE HE SAID, WOULD APPEAR TO BE USE OF INTEREST TO PURCHASE ADDITIONAL QUANTITIES OF ITEMS APPEARING ON ALREADY AGREED LIST OF PRODUCTS AND SERVICES. INTEREST COULD BE DISBURSED FROM TIME TO TIME AS IT ACCRUES RATHER THAN WAITING UNTIL LATE IN PROCUREMENT PERIOD TO BEGIN USING IT. FONOFF WOULD APPRECIATE HAVING TTPI VIEWS ON HOW MONEY SHOULD BE USED. AGREEMENT WHEN REACHED SHOULD BE INCORPORATED IN EXCHANGE OF WRITTEN DOCUMENTS.

5. EMBOFF NOTED THAT TTPI MAY REQUEST ADDITIONAL CHANGES TO LIST OF PRODUCTS AND SERVICES IN FUTURE. IN RESPONSE, SASAKI EXPLAINED THAT PRESENT LIST WAS PRODUCT OF INTER-MINISTERIAL NEGOTIATIONS AND REPRESENTED BALANCE OF CONFLICTING MINISTERIAL POSITIONS. CHANGING PRODUCTS ON LIST WOULD ENTAIL ADDITIONAL TROUBLESOME INTERMINISTERIAL NEGOTIATIONS AND LIKELY RESULT IN ADDITIONAL DELAY IN IMPLEMENTATION OF AGREEMENT. THUS, HE SAID, WHILE FONOFF DOES NOT EXCLUDE POSSIBILITY OF ALTERATIONS, FONOFF WOULD PREFER THAT PROCUREMENT PROCEED IN ACCORDANCE WITH AGREED

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LIST.

6. ACTION REQUESTED: HICOM PROVIDE VIEWSON USE OF INTEREST.
HODGSON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
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Draft Date: 05 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO14308
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Handling Restrictions: n/a
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30 JUN 2005

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TAGS: EAID, JA, TQ, US
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